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DE RUEHLM #0834 1631222
ZNR UUUUU ZZH
R 121222Z JUN 07
FM AMEMBASSY COLOMBO
TO RUEHC/SECSTATE WASHDC 6235
INFO RUEHKA/AMEMBASSY DHAKA 0183
RUEHIL/AMEMBASSY ISLAMABAD 7164
RUEHKT/AMEMBASSY KATHMANDU 5271
RUEHLO/AMEMBASSY LONDON 3817
RHEHAAA/NATIONAL SECURITY COUNCIL WASHINGTON DC
RUEATRS/DEPT OF TREASURY WASHDC
RHEFDIA/DIA WASHINGTON DC
RUEKJCS/SECDEF WASHDC
RUCNDT/USMISSION USUN NEW YORK 0581

UNCLAS COLOMBO 000834

SIPDIS

SENSITIVE
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STATE FOR SCA/INS, EEB/ESC/TFS, ISN/CPI, NEA/IR, IO, VCI,
P, AND T
TREASURY FOR TFI

E.O. 12958: N/A

TAGS: [EFIN](#) [KNNP](#) [UNSC](#) [IAEA](#) [IR](#) [CE](#)

SUBJECT: UNSCR 1747: SRI LANKA HAS NOT YET SEVERED BANK
SEPAH LINKS

REF: A. SECSTATE 73219
[1](#)B. COLOMBO 508
[1](#)C. COLOMBO 676

[1](#)1. (SBU) Summary: Sri Lanka has not yet taken steps to implement UN Security Council Resolution 1747, but says it will do so soon. Sri Lankan Foreign Minister Bogollagama visited Iran May 25-28. With that visit past, Sri Lanka is likely to take steps to implement UNSCR 1747 in the near future. End summary.

[1](#)2. (SBU) DCM and EconOff met with Ministry of Foreign Affairs Additional Secretary for Multilateral Affairs T B Maduwegedera June 12 to follow up on Sri Lanka's progress in implementing UN Security Council Resolution 1747 and to deliver the United States' report on its implementation of the resolution (ref A). Maduwegedera said that the MFA had not yet issued instructions to government agencies on implementing UNSCR 1747 because it had not yet received from its mission in New York the annex listing sanctioned entities. We gave Maduwegedera a copy of the annex, as we had done when we initially delivered this demarche in March (ref B).

[1](#)3. (SBU) EconOff also spoke on June 12 with of Sri Lanka Financial Intelligence Unit (FIU) Director H.A. Karunaratne about the status of the correspondent banking link between the Bank of Ceylon and Iranian Bank Sepah. Karunaratne said that the FIU had not yet acted to sever the Bank of Ceylon-Bank Sepah link because it had still not received instructions from the MFA on UNSCR 1747. He also said that the May 15 Asian Clearing Union board meeting had not discussed the issue of its members ties with Bank Sepah, contrary to the GSL's intention to raise the issue in that forum (ref C). Karunaratne reported that the FIU had found "a few inactive accounts" linked to Bank Sepah, maintained by various Sri Lankan banks, and that it would address these as well as the Bank of Ceylon correspondent link when advised to do so by the MFA.

[1](#)4. (SBU) Comment: Sri Lankan Foreign Minister Bogollagama visited Iran May 27-29. With that visit past, Sri Lanka is likely to belatedly take steps to implement UNSCR 1747 in the near future.

BLAKE